

April 23, 2007

Maine Milk Commission Special Meeting Minutes  
Deering Building, Room 233  
Augusta, Maine 04333

Notices for the April 23, 2007 meeting were distributed to Commission members, intervenors and other interested parties March 23, 2007 and sent to the Secretary of State's Office for posting on March 23, 2007.

**Commission Present:** Chair, Michael Wiers, John Joseph Jr., Katherine O. Musgrave, Colon Durrell and Shelley Doak, *ex-officio*.

**Commission Absent:** None

**Department Officials:** None

**Staff Present:** Stan Millay, Executive Director, Carol Gauthier, Office Associate and Audrey Shorty, Resource Administrator.

**Legal Counsel:** Lucinda White, Assistant Attorney General.

**Intervenors Present:** John Blake, H.P. Hood, Inc., John Economy, Garelick Farms of Maine and Thomas Brigham, Oakhurst Dairy.

**Others Present:** Dale Cole, dairy farmer and President, MDIA, and Julie-Marie Bickford, Executive Director, Maine Dairy Industry Association (MDIA). Also present were, dairy farmers Chuck Farrand, Barney Wright and Walter Fletcher. Also present were Dr. George Criner and Lisa Bragg from the University of Maine. Also present was Marc Lessard from Hannaford.

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Meeting called to order at 10:25 a.m. by chair, Michael Wiers.

**Agenda Item 1: Minutes:** Katherine Musgrave made a motion to accept the minutes of the March 23, 2007 meeting. Colon Durrell seconded. Motion passed 4-0.

**Agenda Item 2: Lucinda White, Assistant Attorney General:** No report.

**Retail Margins - Taken out of order:** Dr. Criner reported on the progress of the Retail Study. A survey and questionnaire is prepared and will be sent to the selected stores. Katherine Musgrave suggested that a smaller store be included to see if there was difference in costs from the larger supermarkets. Dr. Criner agreed. He also asked that Stan Millay send letters to each of the affected store chains assuring them of their right to confidentiality.

**Agenda Item 3: Minimum Prices:** There is a prevailing premium of \$1.10/cwt on Class I for May 2007 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.75/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect on May milk. Federal Order One Class I price for May is \$19.17.

There is a Farm Bill Counter Cyclical Payment (MILC) for May 2007 of \$0.00/cwt. Congress has reauthorized the MILC program at a reduced rate: (34% of \$16.94 minus the Class I Price).

Stan Millay explained that the price schedule for May was prepared using the information above plus a producer cost of production adjustment of \$1.35/cwt.

Shelley Doak made a motion to consider schedule #05-07 with a producer cost of production adjustment of \$1.35/cwt. It includes an \$19.17/cwt. Class I Price as announced by Federal Northeast Milk Market Administrator, plus \$1.85/cwt. as prevailing in neighboring states, plus \$0.00/cwt. for a handling fee and plus a \$0.20/cwt. processor assessment, for a total dealer Class I cost of \$22.57/cwt. John Joseph seconded for discussion purposes.

Shelley Doak pointed out that in Dr. Dalton's monthly update, the short-run breakeven (SRBE) cost of production was above the current tier levels set in Rule 26.

Tom Brigham asked what the current tier levels were. Stan Millay responded with \$18.68 for tier one, \$16.23 for tier two and \$15.43 for tier level three.

Colon Durrell made a motion to adopt the pricing schedule as prepared. John Joseph seconded. Motion passed 4-0.

**Agenda Item 4: Maine Monthly Price Survey:** The Commission reviewed the Maine price survey for April 2007 which included prices for Augusta and Bangor and IAMCA milk price survey for February and March.

**Agenda Item 5: Next Scheduled Meetings:**

- May 9, 2007, Wednesday 9:00 a.m. to discuss and adopt dealer margins  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- May 18, 2007, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- June 22, 2007, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- July 20, 2007, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- August 17, 2007, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

**Agenda Item 6: Other:**

1. **Milk Commission Budget:** The Commission reviewed income and expenditures.
2. **Retail Margins:**
3. **IAMCA Meeting in August:** Stan Millay reported that plans continue for this meeting that the Commission is hosting in Portland, Maine on August 5-8, 2007.

**Agenda Item 7: Executive Session: The Commission did not go into Executive Session.**

Colon Durrell made a motion to nominate Michael Wiers as Chair of the Commission. Shelley Doak seconded. Motion passed 4-0 with Chair Wiers not voting.

**Adjourned: 11:15 a.m.**

**Stanley Millay, Executive Director, Maine Milk Commission.**